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TO: Economic Support Supervisors
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FROM: Amy Mendel-Clemens
Communications Section
Bureau of Eligibility Management
Division of Health Care Financing

BEM/DWS OPERATIONS MEMO

No: 05-02 Corrected Example

DATE: 01/06/2005

FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	SC	<input type="checkbox"/>
CTS	<input type="checkbox"/>	CC	<input type="checkbox"/>	W-2	<input checked="" type="checkbox"/>
FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>	RAP	<input type="checkbox"/>
WIA	<input type="checkbox"/>	Other	EP	<input type="checkbox"/>	★

PRIORITY: HIGH

SUBJECT: Wisconsin Works (W-2) Custodial Parent of an Infant (CMC) Policy
Clarifications

CROSS REFERENCE: W-2 Manual Chapter 7

EFFECTIVE DATE: Immediately

PURPOSE

The purpose of this Operations Memo is to provide clarification on Custodial Parent of an Infant (CMC) eligibility policies and guidance with regard to paternity establishment of CMC cases.

BACKGROUND

In recent months, the Division of Workforce Solutions (DWS) has issued various Administrator's memos affirming Wisconsin Works (W-2) as a workforce attachment program. As discussions took place with W-2 agencies about program priorities, agencies raised concerns regarding how Custodial Parent of an Infant (CMC) cases impact their overall budgets and how the CMC placement fits within the overall goal of W-2 and workforce attachment. To address these issues, a W-2 Contract and Implementation (C&I) CMC ad hoc workgroup was formed.

The CMC workgroup identified a number of issues related to CMC including delayed paternity establishment, CMC participants returning to full-time employment while continuing to receive a CMC payment and not being able to require participation from individuals receiving CMC payments. Some issues were identified as needing statutory changes while other issues could be addressed through policy clarifications and collaboration with partner agencies. This memo focuses on those issues that can be addressed without statutory changes.

The following policy clarifications are made considering both the workforce attachment goal of W-2 with the intent of the CMC placement, including ensuring CMC benefits reach the intended population: low income single mothers of a newborn or families with a newborn and little or no resources because the other adult in the family is unable to work or participate in a W-2 employment position.

POLICY

W-2 provides the CMC placement for low-income mothers with newborns so that they may provide care for their children during the first few months of the children's lives as well as to successfully adjust to the challenges of motherhood. For that reason, a custodial parent of an infant 12 weeks old or younger who meets W-2 financial and nonfinancial eligibility *including not having another adult in the W-2 group participating in or eligible to participate in a W-2 employment position or working in unsubsidized employment*, may receive a monthly CMC payment of \$673 and will not be required to participate in a W-2 employment position unless he/she volunteers to participate in activities.

During the 12-week period, it is expected that in addition to physically recuperating from the birth of their child and nurturing their infants during this critical period, new mothers will also find childcare and take other steps necessary in order to prepare to enter or re-enter the workforce. Although entering or re-entering the workforce is not an eligibility requirement of the CMC placement, W-2 agencies should encourage CMC participants to take advantage of the employment-related services offered within the W-2 program during the 12-week CMC period and immediately afterward.

OTHER ADULT LIVING IN THE HOME

In order to be eligible for a CMC payment the applicant must meet all W-2 financial and nonfinancial eligibility requirements. In addition, the applicant must have a child 12 weeks old or less and no other adult member of the custodial parent's W-2 group can be participating in or eligible to participate in a W-2 employment position or be working in an unsubsidized job.

Policy Clarification

With regard to the underlined portion of the policy above, the other adult will more commonly mean the child's father, whether it is a biological father, an adjudicated father or an acknowledged father. It may also mean father by adoption or man who has consented to the artificial insemination of his wife. However, other adult may also mean the custodial parent's spouse but not the father of the newborn. In any case, if the other adult is working or if he is not working but eligible to participate in a W-2 placement, the family is not eligible for a CMC payment. This is regardless of the other adult's income level. Even if the income of the other adult results in the family's income being at or below 115% of federal poverty, the family is still ineligible for a CMC payment. However if the family's income is at or below 115%, the other adult must be considered for placement in a W-2 employment position. In this situation, this

family would be considered a two-parent family and be treated according to two-parent family policy (see W-2 Manual, Chapter 2).

Example 1: Diane gave birth to Marina on July 8, 2004, and applied for CMC. During intake, Diane stated that Marina's father, her boyfriend, does live in the home with them and they signed the PATH form in the hospital. When asked whether he was employed, Marina said that he hauls lumber part-time for a man in town. Because the boyfriend is the nonmarital co-parent and lives in the home, he is considered the "other adult in the W-2 group" and because he is working in unsubsidized employment, the family is not eligible for CMC. The FEP must offer the family other employment services if otherwise eligible such as case management services in the CMU placement.

Example 2: Dorothy gave birth to a girl on September 1, 2004, and applied for CMC. During intake, Dorothy stated that she is married to John, but John is not the biological father of the baby girl, but they do have a child in common in the home. She also says that John is employed as a laborer at a local construction site making a little over \$6.00 hour. Because the spouse is included in the W-2 group and because he is working in unsubsidized employment, the family is not eligible for CMC even though John's income results in the family being below the 115% level of poverty. The FEP must offer the family other employment services if otherwise eligible.

Example 3: Mia gave birth to a baby on June 14, 2004. Prior to giving birth, Mia was employed full-time at a local grocery store. Mia's husband Jeff is the biological father of the baby. Jeff has not had a job in a year and has been staying at home and caring for their 3-year-old son. Because the baby's father lives in the home and he is eligible to participate in a W-2 employment position, the family is not eligible for the CMC benefit. However when the FEP conducts an informal assessment, the FEP takes into consideration a difficult birth that will not permit Mia to return to work for a number of weeks and determines that the father would be appropriate for placement in a Trial Job. Jeff, on the other hand, says that he will not participate in W-2 as he would like to stay home and care for the baby. However, based on the informal assessment and the circumstances of the family, the FEP determined that Jeff was appropriate for W-2 placement and, because he refused to accept the appropriate placement, the family is not eligible for W-2, including CMC.

Example 4: Sonia gave birth to a baby boy on February 23, 2004. Sonia's husband Victor is the biological father of the baby. Victor has been receiving Social Security Disability Insurance (SSDI) since 2000 when he was injured on the job. Although Victor is included in the W-2 group, he is not working and he would not be eligible to participate in a W-2 employment position. Therefore, the family is eligible for CMC.

PATERNITY ESTABLISHMENT

In situations where the CMC participant is not married, ideally, the CMC applicant and the newborn's father will sign the paternity establishment (PATH) form and acknowledge paternity immediately following the birth of the child. If the FEP has contact with a single pregnant mother who will more than likely access CMC benefits once the baby is born, the FEP must discuss with the pregnant mother whether she knows who the biological father is and if he lives in the home or not. If she is very sure that she knows who he is, the FEP must inform the mother that she and the baby's biological father will have the ability to sign the PATH form to acknowledge paternity in the hospital and encourage the mother to sign the form. FEPs must stress the importance of legally establishing paternity at the time of the child's birth rather than later.

Reasons for establishing paternity sooner rather than later include:

- The importance of a child knowing who his or her mother **and** father are,
- It gives the child the rights to:
 - the father's social security and veterans' benefits in certain circumstances,
 - know the family's medical history (for illnesses and other medical information, include diabetes and sickle cell anemia),
 - tribal affiliation and/or enrollment (for Native Americans),
- Both parents are responsible for supporting their child,
- The child may be covered under the father's medical insurance.

The FEP must explain that the mother and father will be offered the form at the hospital and that they need to have their signatures on the form notarized (witnessed) and, in many cases a Notary will be on staff at the local hospital. If the mother and father sign at the hospital, the hospital staff will send in the form. The FEP must inform the participant that there is a \$10 fee for the form, and if the mother cannot afford the \$10 fee, the mother is asked to tell the hospital because the hospital may be able to help with the fee.

Of course, if the mother has any doubts about who the father may be, the FEP should be clear that the parents should obtain genetic tests.

If the FEP does not have the opportunity to discuss paternity acknowledgement until after the birth of the baby, the FEP must still review the benefits of establishing paternity with the participant and inform the participant that the PATH form is available at the local child support agency (CSA) or county Register of Deeds office.

The FEP must explain the potential difference in eligibility for W-2 that acknowledging a father who lives with them will make. The FEP should be clear that although it may mean the mother's ineligibility for the CMC payment, the father may still be eligible for a W-2 employment position, education and training or other case management services in order to prepare for work.

In some cases, it appears that if the W-2 applicant and potential father are aware that they will be eligible for CMC while paternity establishment is pending, they do not sign the PATH form. DWS also has identified instances when the mother and the potential father sign the PATH form in the hospital, but later rescind it when they become aware of the potential loss of CMC benefits. If the mother and potential father are living together and paternity acknowledgement is not appropriate (for instance, there is more than one potential father), or if the mother or potential father refuses to complete the PATH form, the FEP may contact the local CSA and request that the paternity establishment for that CMC case be prioritized. To the extent possible, the CSA will assist in expediting genetic testing and judicial paternity establishment for CMC cases. DWS will provide information to the local CSAs to inform them that they may be contacted by the W-2 agencies to prioritize these cases.

If the alleged father lives in the child's home and the child's paternity is established, the mother's eligibility for CMC ends if the father is working or if he is not working but eligible to participate in a W-2 employment position. (See above regarding information on other adults in the child's home and the section below on ending CMC placements based on further information).

A CMC participant whose only dependent child is the newborn is not required to cooperate with child support for sixty days after the birth of the newborn. In these situations, if the mother refuses to cooperate with child support, the mother remains eligible for CMC until 60 days after the birth of the child. If noncooperation with child support is reported for CMC participants with no other children in the home except for the newborn, the W-2 agency must take action on the case once the 60 days expires. The 60-day policy does not apply when there are other dependent children other than the newborn.

ENDING A CMC PLACEMENT

A CMC placement must end no later than 12 calendar weeks (7 calendar days x 12 weeks = 84 calendar days) after the child is born. When a CMC placement ends prior to the end of an participant's participation period and the participant no longer requests W-2 services, the FEP must close the W-2 assistance group by ending the CMC placement on CARES screen ACWI and issue a prorated CMC payment.

Policy Clarifications

The FEP must follow the process for correct prorated payments by running eligibility with dates to get a correct partial payment. <http://dhfs.wisconsin.gov/em/ops-memos/2004/pdf/04-34-attachment.pdf>

In order to facilitate ending a CMC placement timely, DWS has changed the CARES CMC alert #253. The previous alert stated, "CHILD TURNED 12 WEEKS OLD," and was sent to the FEP 84 calendar days after the child's birthdate. The alert is now sent one week earlier and states, "CHILD TURNING 12 WEEKS OLD."

Example 1: Bobbi gave birth to a child on March 1, 2004. Her FEP placed her in CMC on March 3, 2004 with an anticipated end-date of May 24, 2004 (84 calendar days after the baby's birth date). The FEP created a worker-generated alert for the first week in May to schedule an appointment to have Bobbi come to her office and discuss her case. At that meeting, Bobbi stated that she had a job and will be starting work on June 1, 2004. Bobbi's FEP closed her case and end-dated CMC on CARES screen ACWI effective May 25, 2004. The FEP ran eligibility with dates of May 1, 2004 and June 1, 2004. Because the FEP ran with dates, the last payment for the participation period of May 16, 2004 through May 25, 2004 was issued on June 30, 2004.

Example 2: Dawn gave birth to a child on November 7, 2004. Her FEP placed Dawn in CMC on November 8, 2004 with an anticipated end-date of January 30, 2005 (84 calendar days after the baby's birth date). The FEP created a worker-generated alert for the last week in January. However, the participant contacted the FEP and said that she had moved outside Wisconsin and would like her last check sent to her new address out of state. The worker entered 'not residing' on screen ANDC on November 23, 2004 and updated the living arrangement information on screen ANLA to reflect that the participant lived out of state. The FEP ran eligibility on November 23, 2004, which closed the case effective December 31, 2004, but the FEP did not end date the placement on ACWI. The FEP finally end-dated the CMC placement on December 28, 2004, but did not run eligibility with dates, which caused a full check to be issued on January 31, 2005. The placement should have been end-dated on November 23, 2004 when the FEP was closing the case. If the FEP would have end-dated the placement on November 23, 2004 and run eligibility with the dates of November 1, 2004 and December 1, 2004, the last check would have been issued for the participation period of November 16, 2004 through November 23, 2004 (8 calendar days) and the final payment of \$179 would have been issued on December 31, 2004. Instead a full amount check of \$673 was issued on December 31, 2004, and another full amount check of \$673 was issued on January 31, 2004. Because of the overpayments that resulted from the FEP not end dating the placement and not running

eligibility with dates, to correct the situation the FEP then had to initiate a W-2 repayment agreement. (See section ***Recovering CMC Overpayments***)

RECOVERING CMC OVERPAYMENTS

Currently, based on limitations in the W-2 law, W-2 agencies are unable to administratively recoup overpaid CMC payments from W-2 CSJ and W-2 T benefit payments. However, if a CMC overpayment does occur for any reason including inadvertent household error, administrative error or intentional program violation, the W-2 agency must establish an overpayment claim. Other collection action by DWD will continue including voluntary payment and tax intercept.

Policy Clarification

Because CARES will not automatically stop recoupment from CSJ and W-2 T for CMC overpayments, agencies must comply with the following instructions to stop the recoupment. If the overpayment occurred while the participant was in a CMC placement and there is still an open W-2 payment case, do not enter the overpayment claim until after W-2 benefit issuance pull-down (BIP) but before the end of the month. This allows the notice and the repayment agreement to be generated without recoupment from the W-2 payment. After the first of the next month, enter a "Y" in the *Stop Recovery* field on CARES screen BVRI to stop recovery. Stopping recovery on BVRI requires a reason code. There are only two reason codes available: BAN (bankruptcy) and DCE (deceased). Use BAN, but also enter comments on BVCC to indicate that the recovery is being stopped because it is a CMC overpayment. The W-2 agency must manually track each of the identified CMC claims when recovery has been stopped in order to determine if the W-2 case has closed. If the case has closed, the W-2 agency begins recovery by entering an "N" in the *Stop Recovery* field on BVRI.

NOTE ➤ DWD is currently working on Administrative Rules promulgation that will allow the recoupment of overpaid CMC payments from W-2 CSJ and W-2 T benefit payments. Once the new Administrative Rules have been approved, W-2 agencies will be provided further instructions on recouping CMC overpayments. Until that time, however, W-2 agencies must follow the instructions above.

CMC PARTICIPANTS RETURNING TO WORK

Part-time

Under current policy, if a CMC participant chooses to return to work part-time prior to the end of the CMC 12 week period, the FEP may consider placing the participant in a prorated CSJ placement, if appropriate, as determined by an assessment.

Policy clarification

If the mother chooses to return to part-time work (or can only find part-time work) before her child turns 12 weeks of age, she will remain eligible for CMC until her child turns 12 weeks of age unless the FEP and the participant agree to the prorated CSJ placement or case management follow-up (CMF), or the mother declines W-2. Ongoing placement in CMC or placement in a prorated CSJ will allow the mother time outside of her part-time work hours to continue to take steps necessary to prepare for full-time work. For the purposes of this policy, part-time is defined as 29 hours or less per week.

If the participant and W-2 agency agree to place the individual in a prorated CSJ, all prorated CSJ policies apply. The W-2 agency must inform the participant that the prorated CSJ placement will tick the CSJ clock* and that the parent will be required to participate in activities during those hours she is not working. As is always the case however, the W-2 agencies have flexibility in assigning appropriate work activities while the participant is in the prorated CSJ. For example, the participant, although working, may benefit from job skills training in a completely different career or the participant may benefit from assignment to GED or HSED classes. In addition, the participant may benefit from financial literacy and some parenting skills training all of which are allowed under the prorated CSJ policy.

NOTE ➤ Eligibility must be re-run for CMC participants returning to work part-time to ensure that W-2 financial eligibility tests are met. If the return to part-time work results in the participant's income being over 115% of the federal poverty level, the participant is no longer eligible for CMC and must be placed in case management follow-up (CMF).

Example 1: Five weeks after the birth of her child, Genevieve returned to work 15 hours per week washing dishes at a local restaurant. Genevieve lives at home with her mother, but informs the FEP that she must move out when the baby is three months old. The W-2 agency reassesses Genevieve's employability and determines that she would benefit from obtaining her high school diploma in order to make her competitive for full-time employment. The FEP discusses the *option* of a prorated CSJ with her and points out that her diploma would help her obtain full-time employment in a higher paying job. Genevieve agrees to the optional one-half prorated CSJ placement. This one-half prorated CSJ requires Genevieve to participate 11 to 15 hours in work training and up to 10 hours of education and training per week. The GED courses require Genevieve to participate in classroom activities 5 hours per week. In addition to the education and training activities, the FEP assigns Genevieve to 5 hours per week of clerical work experience, 3 hours per week in a mother/baby course at the local hospital which Genevieve and her child can participate in together and 3 hours to devote to looking for new housing. NOTE: Genevieve could have opted to remain in the CMC placement, volunteer for GED or other appropriate training activities and obtain child care for the volunteer activities.

Example 2: Ruth begins her CMC placement on August 16, 2004. After three weeks, Ruth and her FEP discuss the possibility of working on her GED and attending job skills refresher training in order to update her data entry skills. Because Ruth volunteers for these activities, her FEP places her in both GE (GED) for her GED activities and EC (Child Care for Employment Skills Training – 2 yr) for the job skills refresher training and shows these placements in WPCH. With placements in these components, Ruth will be eligible for child care.

Full-time

The current policy for CMC participants who return to work full-time (30 hours or more per week) prior to the end of the CMC 12 week period is to offer the participant case management follow-up services and placement in CMF if accepted. If the participant does not accept case management services, the W-2 case should be closed. This policy is not intended to inhibit CMC participants from returning to work full-time because full-time work is a goal of the W-2 program. Whether the participant accepts the CMF placement or not, the FEP should confirm that the parent has found childcare and taken other steps necessary in order to enter or re-enter the workforce full-time.

* It should be noted that under some circumstances, the CMC placement might already be counting towards a participant's 60-month lifetime or 24-month employment position eligibility. Refer to the W-2 Manual, 2.3.1.2.

CMC PARTICIPANTS AND PERFORMANCE STANDARDS

Many of the participants receiving a CMC payment may benefit from W-2 services ranging from financial literacy to GED to job search assistance. CMC participants cannot be required to participate in activities, but must be encouraged to volunteer. If a CMC participant does volunteer for activities, the activities must be recorded on WPCH. Because the activities are recorded on WPCH, the CMC participant may be included in the W-2 Performance Standards (PS) denominator, particularly if it is an educational activity. W-2 agencies can request an adjustment for instances in which the CMC participant would be included in the PS denominator.

CONTACTS

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*Program Categories – FS – Food Stamps, MA – Medicaid, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – Food Stamp Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

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